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SERVICE SECTOR INDICATORS

CIBCR

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SERVICE ECONOMY GROWTH REMAINS FIRM

In June the coincident index for service sector economic activity grew at a smoothed annual rate (see footnote to chart) of 3.4%. This represents a continuation of a relatively stable growth pattern for services since the beginning of 1987.

The leading index, which has been found to lead service sector activity by about six months, grew at an annual rate of 2.0% in June. Growth rates in this index have been somewhat subdued since late 1987. This suggests that growth in service sector activity will continue at recent levels or possibly weaken slightly during the remainder of 1988.

- Dr. Allan P. Layton

GROWTH RATES IN LEADING AND COINCIDENT INDEXES FOR SERVICES

Growth rates are based on the ratio of the current month's index to the average index for the preceding twelve months, expressed as a compound annual rate. Vertical lines are peaks (P) and troughs (T) in the business cycle chronology.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Corporate Profits, Services (bil. 1982-84 $, ann. rate)
	1.	2.	3.	4.	5.	6.
1987:						
Jan.	156.9	2.5	32.80	829	93.5	108.5
Feb.	158.1	3.4	32.99	756	97.5	109.1
March	158.2	3.0	32.92	799	100.0	106.4
April	157.9	2.3	32.95	827	95.0	103.6
May	157.6	1.6	32.99	743	93.6	100.9
June	158.7	2.6	32.88	904	100.1	101.9
July	159.3	2.9	32.93	857	101.1	102.9
Aug.	160.7	4.2	33.06	851	107.7	103.8
Sept.	160.5	3.4	33.00	884	103.4	102.9
Oct.	159.4	1.6	32.97	813	92.1	102.0
Nov.	158.4	0.1	32.96	779	81.8	101.1
Dec.	157.9	-0.7	32.68	890	79.2	101.8
1988:						
Jan.	158.8	0.1	32.88	716	82.3	102.5
Feb.	160.5	2.0	32.94	948	86.0	103.2
Mar.	159.2	0.2	32.70	771	87.5	---
Apr.	160.4	1.6	33.01	718	85.3	---
May	159.3	0.0	32.77	716	83.0	---
June	161.1	2.0	32.85	782	89.2	---

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1987:						
Jan.	173.0	2.7	1769.9	1213.5	635.935	101.958
Feb.	174.2	3.6	1778.2	1222.1	640.043	102.936
March	174.7	3.6	1784.5	1230.3	640.428	102.898
April	174.8	3.3	1790.9	1232.1	642.172	102.461
May	175.7	3.8	1797.2	1236.3	644.708	103.613
June	175.8	3.3	1800.3	1238.1	643.458	103.621
July	176.5	3.6	1803.5	1245.7	646.298	104.051
Aug.	177.4	4.1	1806.6	1250.1	652.241	104.764
Sept.	177.1	3.1	1811.8	1244.5	649.286	104.692
Oct.	178.1	3.7	1817.1	1256.6	654.064	105.046
Nov.	178.2	3.2	1822.3	1250.2	656.031	105.330
Dec.	178.1	2.5	1826.0	1254.1	653.886	104.830
1988:						
Jan.	179.3	3.4	1829.7	1260.7	660.884	105.932
Feb.	180.3	3.9	1833.4	1268.2	663.790	107.072
Mar.	179.8	2.8	1836.9	1269.0	659.442	106.348
Apr.	181.2	3.7	1840.5	1272.9	669.368	107.406
May	181.1	3.1	1844.0	1276.1	667.801	107.061
June	181.8	3.4	---	1284.9	667.021	107.747

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.

Sources:
3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
6. Department of Commerce, Bureau of Economic Analysis. Quarterly data interpolated by CIBCR and deflated by the CPI, All Urban Consumers, seasonally adjusted.
9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977=100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.

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